



Alliance of Community Medical and Rehabilitation Providers

**MEDIA REPORT
November 3, 2009**

THE RECORD

Motorists to get break on insurance

Waterloo Region Record
Tue Nov 3 2009
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Section: Business
Byline: By Keith Leslie
Dateline: TORONTO
Source: The Canadian Press

Ontario announced Monday it wants to allow drivers to buy reduced insurance coverage to keep premiums down, a move welcomed by insurance companies but one that lawyers and health care providers warned could see accident victims forced to pay for their own care.

Ontario will lower the minimum medical and rehabilitation coverage for **auto insurance** to \$50,000 from the current \$100,000 in an effort to keep rate increases from going even higher, which the opposition parties warned could leave drivers without adequate protection.

Motorists could still purchase \$100,000 or even \$1 million in non-catastrophic medical and rehabilitation benefits if they choose after the proposed changes come into effect next summer, said Finance Minister **Dwight Duncan**.

"People can lower their premiums based on their choices, but the Ontario basic policy is, in fact, still one of the best in the country," he said.

"We believe that this will hold the line over the next few years on rate of growth in premiums."

Ontario's basic **auto insurance** package would provide drivers with a \$500 deductible, but they would still have the choice of buying a \$300 or even a zero deductible. It would also include \$200,000 in third-party liability coverage, even though 99 per cent of drivers currently purchase more than that mandatory minimum.

"Certainly it's an innovative approach the government has taken to give consumers choice so they don't have to buy a rich Cadillac benefit package if they're feeling they don't need all of those benefits," Insurance Bureau of Canada vice-president Barb Sulzenko-Laurie said.

"It has great potential to stabilize the Ontario **auto insurance** market, which has been subject to great swings up and down."

The Ontario Trial Lawyers Association said the proposed changes "fall short in securing fairness" for innocent accident victims.

"To some it will be seen as an effort to protect the already lucrative **auto insurance** industry," said association president Judith Hull.

The **Alliance of Community Medical and Rehabilitation Providers** also accused the Liberal government of bowing to the insurance lobby.

"Accident victims will end up looking for rehabilitation and medical treatment in the public health care system, (but) unfortunately what they'll find is that many services have been delisted," said alliance spokesperson **Nick Gurevich**.

"These people will be forced to pay out of their own pockets for private care (and) many will end up in debt."

Insurance companies lost \$400 million in the Ontario auto sector last year, said Sulzenko-Laurie, and it is expected to take them several months to determine just how the proposed changes will impact premiums.

"In terms of consumers' ability to buy a basic product, there will be considerable cost savings, and that will be taken into account by insurers and by the regulator when prices are set," she said.

Opposition parties said the changes could leave drivers vulnerable, and insisted that lowering coverage was not the appropriate way to deal with double-digit hikes in premiums.

"I find it unfortunate that the only way you can control your rates under (Premier) Dalton McGuinty's proposal is to take less in benefits," said Progressive Conservative Leader Tim Hudak.

The New Democrats called the government's strategy of having drivers pay less for less coverage a "bone-headed idea," and accused the Liberals of caving in to the powerful insurance industry.

"Anyone can sell an inferior product for less money, and that's what's happening," said NDP finance critic Michael Prue.

The proposed changes would also remove an injured person's right to obtain a second assessment from their own doctor if the insurer's health care expert disagrees with the claimant's physician in the original assessment.

Duncan said that was a key recommendation stemming from a five-year review of Ontario's **auto insurance** sector.




"If you look at the numbers, the costs associated with all of these duelling assessments is enormous," said Duncan.

There are also 17 new consumer-protection measures, including one that prohibits companies from using a driver's credit score to determine how much to charge for **auto insurance**.

The government also wants to update the definition of "catastrophic impairment" to include single-limb amputees, and will consult with health care professionals to redefine the threshold for catastrophic brain injuries. The Insurance Bureau of Canada said the average Ontario driver was paying \$1,362.11 a year for insurance in September, up 3.6 per cent from \$1,314.26 at the same time last year.

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Ontario insurers cite hefty hike in benefits as reason for rising auto premiums

The Globe And Mail
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Byline: Tara Perkins

In the insurance industry, they call it the "whiplash aftermarket."

Ontario is overhauling its **auto insurance** rules, and decreasing the amount of coverage that drivers must buy, in an attempt to curb rising premiums. Insurers said that generous minimum-accident benefits were encouraging widespread abuse that was increasing their costs.

Basic benefits in the province will still be among the highest in the country, and it's not yet clear exactly what impact the reforms will have on insurance prices.

"These reforms are designed to hold the line on [premium] increases," Finance Minister **Dwight Duncan** said in an interview. "You want to make sure that insurance will still be offered by companies, and at the same time that consumers have adequate choice."

Auto insurance has become a money-losing business in Ontario. The average cost of medical rehabilitation for a driver injured in a no-fault accident in the province last year was \$42,000, compared to roughly \$4,000 in Alberta (where there is a cap on the amount paid for pain and suffering from minor vehicle injuries) and about \$8,000 in New Brunswick, according to Barb Sulzenko-Laurie, vice-president of policy development at the Insurance Bureau of Canada.

And yet, the industry argues, Ontarians hurt in car crashes aren't healing any faster than drivers in other provinces.

"With \$100,000 available for medical rehabilitation benefits for any injury, regardless of its severity, there was a compulsion within the system that continued to drive up costs," Ms. Sulzenko-Laurie said. "A typical claim even for a minor injury like whiplash would regularly attract 16, 17 weeks of housekeeping services."

One insurer told the government that some clinics in Toronto are regularly submitting more than 15 separate requests for treatment for a single injury. Each one requires an assessment, and those are routinely contested.

The insurance industry says that for each dollar it is spending on treatment, another 60 to 80 cents is spent on assessments, and there has been a rising number of requests to assess people in their homes to support claims for things like caregiver benefits and home maintenance expenses.

In a submission to the industry regulator, Intact Financial Corp. (formerly called ING Canada) said the system was "excessively generous and complicated, creating an environment that encourages abuse and even fraud."

The **auto insurance** business in Ontario is highly regulated because coverage is mandatory for drivers. In making the 41 changes announced yesterday, the province is trying to balance the need for insurance to be readily available and affordable with the benefits that are covered.

The reforms include decreasing basic medical and rehabilitation coverage from \$100,000 to \$50,000; decreasing basic attendant care coverage from \$72,000 to \$36,000; and instituting a \$500 deductible for basic coverage. Drivers could still buy extra coverage to bring them up to the prior benefit amounts (or more), and could choose an insurance package with a \$300 deductible or no deductible.

Another change will make housekeeping, home maintenance expenses and caregiver benefits optional. Reimbursement must reflect actual economic losses. Assessment costs will be capped at \$2,000 per assessment, fees for completing forms will be capped at \$200, and those costs will be included in the basic coverage amounts. In-home assessments will be limited to people who are seriously injured, and will only be used to evaluate their need for attendant care services and home modifications. Only occupational therapists and nurses with relevant training will be allowed to assess car-accident victims to see whether they require attendant care.

The government will draft regulations that it says will become effective next summer, and each insurer will have to submit its proposed rates (insurers in Ontario require regular approval from the **Financial Services Commission of Ontario**, which regulates the industry, for their rates).

The **Alliance of Community Medical and Rehabilitation Providers** said the government is bowing to the insurance lobby with its reforms. "Accident victims will end up looking for rehabilitation and medical treatment in the public health- care system, [but] unfortunately what they'll find is that many services have been delisted," alliance spokesman **Nick Gurevich** told The Canadian Press. "These people will be forced to pay out of their own pockets for private care [and] many will end up in debt."

Auto insurance in Ontario accounts for about 25 per cent of all property and casualty insurance premiums in Canada. But the industry collectively lost \$390- million on the auto business in Ontario last year, the only province where it didn't turn a profit. Costs and premiums began falling after prior reforms were introduced in 2003, but costs began rising substantially "as people have gotten to know the system and understand the loopholes," said Leonard Sharman, a spokesman for The Co-operators Group Ltd.

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For public debate on **auto insurance**

The Toronto Star
Tue Nov 3 2009
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Provincial Finance Minister **Dwight Duncan** has essentially split the difference with his package of reforms to **auto insurance**. In the process, he may have left no one very happy.

The package, released yesterday, includes a lower cap of \$50,000 (down from \$100,000) on payments for treatment for serious injuries and a \$3,500 limit for strains and sprains, which was heretofore effectively uncapped.

In announcing the changes, Duncan noted that the proposed \$50,000 cap is on a par with Alberta and New Brunswick and higher than in other provinces with private **auto insurance**. He also emphasized that drivers will still have the option to pay for more coverage "based on their own preferences and circumstances," if they choose.

The changes come in response to growing concerns that lawyers and clinics are "gaming" the system, particularly in Toronto, and driving up costs to auto insurers, who say they lost \$400 million in the province last year. As a result, recent premium hikes have been in the double-digit range.

"We believe that this (yesterday's package) will hold the line over the next few years on rate of growth in premiums," said Duncan.

But that may be wishful thinking as Duncan did not give the insurance industry everything it wanted. The industry had sought a \$25,000 cap on treatment for serious injuries.

Publicly, an industry spokesperson welcomed yesterday's moves. "We are pleased that the government is taking the steps necessary to create a better **auto insurance** system for Ontarians," said Don Forgeron of the Insurance Bureau of Canada.

"Ontario consumers are the real winners today," added Forgeron, without actually promising that companies would hold the line on premiums.

Privately, the insurance industry is concerned that Duncan intends to delay implementation of the changes until next summer. That means eight more months under the old - more costly - regime, plus the potential that the government could bow to pressure and roll back the changes.

Pressure there will be. Both trial lawyers and health-care providers blasted Duncan's changes yesterday. **Nick Gurevich** of the **Alliance of Community Medical and Rehabilitation providers** noted that much of the treatment now being paid for by insurance - such as chiropractic - is not covered by OHIP. With the lower cap, said Gurevich, "These people will be forced to pay out of their own pockets for private care."

Auto insurance is a complex area that brings various sectors into conflict - insurance companies, health-care providers, trial lawyers and, of course, the consumers who pay the premiums. Duncan has done his best to accommodate the different interests, after extensive consultations.

Unfortunately, most of the consulting took place in back rooms, out of the public eye. To engage the public in this debate, Duncan should take advantage of the delay in implementation of the changes by referring his package to a legislative committee for public hearings.

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Reining in **auto insurance** costs ; Ontario's plan cuts coverage, medical expenses to 'give consumers more choice'

The Toronto Sun

Tue Nov 3 2009

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Byline: BY JONATHAN JENKINS, QUEEN'S PARK BUREAU

Ontario plans to keep your **auto insurance** premiums from rising by letting you buy less coverage, limiting benefits for sprains and strains and cutting expensive medical assessments.

"We feel this is a very balanced package that will hold the line (on premiums) and give consumers more choice," Finance Minister **Dwight Duncan** said.

"Overall I believe that is something that will be very good for consumers."

Duncan said he's trying to keep premiums from rising while at the same time addressing complaints insurers have made about assessments and Ontario's relatively generous benefit scheme compared to other provinces.

He should have tried harder, critics said.

"Any fool can sell an inferior product for less money," New Democrat MPP Michael Prue said.

"When you have an accident, when you have non-catastrophic injuries, when you require supplementing your income because you're not working, you're going to find out what an inferior product you've bought."

Progressive Conservative Leader Tim Hudak was also dismissive, saying Duncan missed a chance to clean up a system prone to abuse.

"I'm very worried that the reforms brought forward to date are actually about reducing coverage for people as opposed to going after the fraud and the waste in the system," Hudak said.

"The double digit increases we've seen in the past few months are simply unaffordable for Ontario families in today's economic environment."

The government is hoping the changes will make a complex system quicker and cheaper to use by capping the cost of a medical assessment at \$2,000, with that money coming out of the total medical and rehab benefit. Rebuttal assessments -- where insurance companies and treatment providers spar over the extent of injuries -- are scrapped altogether and disagreements will go straight to an arbitrator.

Benefits for minor sprains and strains will now be capped at \$3,500.

The big change for consumers is they can now buy a lower "basic" level of insurance, with \$50,000 in benefits for serious but non-catastrophic injuries instead of \$100,000, and options for lower deductibles.

Reaction was mixed from industry players, with the Insurance Bureau of Canada and the Insurance Brokers Association of Ontario giving the changes a thumbs-up.

"We are pleased that the government is taking the steps necessary to create a better **auto insurance** system for Ontarians," IBC president Don Forgeron said.

The medical rehab community and trial lawyers, though, were unimpressed.

"With today's announcement, the province is forcing U.S.-style 'pay as you go' health care on people badly hurt in motor vehicle accidents," **Nick Gurevich**, of the **Alliance of Community Medical and Rehabilitation Providers**, said in a press release.

"These people will be forced to pay out of their own pockets for private care. Many will end up in debt," Gurevich said. "The Liberal government has just abandoned them."

Scott Knight, president of the Association of Independent Assessment Centres, said the changes would prevent auto crash victims from getting the care they need.

THE FIX IS IN

DWIGHT DUNCAN'S PRESCRIPTION FOR ROCKETING AUTO INSURANCE RATES

Finance Minister **Dwight Duncan** proposed changes to Ontario's **auto insurance** system, which should be in place next summer. They include measures to increase consumer choice and decrease the cost of medical assessments. The combination should keep premiums stable, Duncan says.

CONSUMER CHOICE

A new category of "basic" insurance coverage will let consumers:

- Choose \$50,000 in medical and rehab costs for serious but non-catastrophic injuries. There is an option to increase that to \$100,000 or \$1 million.
- Choose a \$500 deductible on property damage. There is an option to buy a \$300 or 0 deductible.
- Choose a \$20,000 deductible for not-at-fault victims who sue. There is an option for a \$30,000 deductible and deductibles will no longer apply to fatalities.
- Choose not be covered for housekeeping, home maintenance and caregiver benefits.
- Brokers and insurance firms barred from using credit scores in preparing quotes.

ASSESSMENT COSTS

- Cost of an assessment capped at \$2,000 and is now included in medical and rehab benefits. Fees to complete any form including an assessment to complete a form capped at \$200.
- Rebuttal assessments scrapped.
- Benefits for minor sprains and strains capped at \$3,500.

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Ont. proposes cuts to auto insurance coverage to help drivers save money

By Keith Leslie (CP) – 16 hours ago

TORONTO — Ontario announced Monday it wants to allow drivers to buy reduced insurance coverage to keep premiums down, a move welcomed by insurance companies but one that lawyers and health care providers warned could see accident victims forced to pay for their own care.

Ontario will lower the minimum medical and rehabilitation coverage for auto insurance to \$50,000 from the current \$100,000 in an effort to keep rate increases from going even higher, which the opposition parties warned could leave drivers without adequate protection.

Motorists could still purchase \$100,000 or even \$1 million in non-catastrophic medical and rehabilitation benefits if they choose after the proposed changes come into effect next summer, said Finance Minister Dwight Duncan.

"People can lower their premiums based on their choices, but the Ontario basic policy is, in fact, still one of the best in the country," he said.

"We believe that this will hold the line over the next few years on rate of growth in premiums."

Ontario's basic auto insurance package would provide drivers with a \$500 deductible, but they would still have the choice of buying a \$300 or even a zero deductible. It would also include \$200,000 in third-party liability coverage, even though 99 per cent of drivers currently purchase more than that mandatory minimum.

"Certainly it's an innovative approach the government has taken to give consumers choice so they don't have to buy a rich Cadillac benefit package if they're feeling they don't need all of those benefits," said Insurance Bureau of Canada vice-president Barb Sulzenko-Laurie.

"It has great potential to stabilize the Ontario auto insurance market, which has been subject to great swings up and down." The Ontario Trial Lawyers Association said the proposed changes "fall short in securing fairness" for innocent accident victims.

"To some it will be seen as an effort to protect the already lucrative auto insurance industry," said association president Judith Hull.

The Alliance of Community Medical and Rehabilitation Providers also accused the Liberal government of bowing to the insurance lobby.

"Accident victims will end up looking for rehabilitation and medical treatment in the public health care system, (but) unfortunately what they'll find is that many services have been delisted," said alliance spokesman Nick Gurevich.

"These people will be forced to pay out of their own pockets for private care (and) many will end up in debt."

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Duncan said that was a key recommendation stemming from a five-year review of Ontario's auto insurance sector.

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NEWS FROM CNW GROUP

Ontarians Seriously Injured in Auto Accidents Left to Fend for Themselves

14:32 EST Monday, November 02, 2009

TORONTO, Nov. 2 /CNW/ - Ontario Finance Minister Dwight Duncan accommodated the powerful insurance lobby today by announcing deep cuts to basic benefits for auto accident victims.

"With today's announcement, the province is forcing U.S.-style 'pay as you go' health care on people badly hurt in motor vehicle accidents," says Nick Gurevich of the Alliance of Community Medical and Rehabilitation Providers.

Mandatory rehabilitation and medical benefits will now be slashed from \$100,000 to \$50,000. As a result, the auto insurance industry in the province will save hundreds of millions of dollars in claims costs.

Accident victims will end up looking for rehabilitation and medical treatment in the public health care system. Unfortunately, what they'll find is that many services have been de-listed, and waits are so long that timely intervention becomes almost impossible.

"These people will be forced to pay out of their own pockets for private care. Many will end up in debt," Gurevich notes. "The Liberal government has just abandoned them."

As well, the government's announced changes will restrict the rights of accident victims in other ways. They will no longer be able to challenge the assessments conducted by their insurers, and minor injuries will be limited to \$3,500 in benefits.

"Insurers can have their cake and eat it too," Gurevich says. "They get windfall savings and double-digit premium increases. Individuals, on the other hand, are left unprotected and vulnerable."

For months, the Alliance has been urging the government to maintain the \$100,000 benefit level. Its members are on the front lines of providing care to victims of motor vehicle accidents, and they know what it takes to put people's lives back together.

"If you have only \$50,000 of coverage, you should be aware that you will NOT have enough to get better after a serious accident," Gurevich notes.

Consumers will be able to purchase extra insurance coverage, but most people do not 'buy up' especially in today's more difficult economy. "People typically buy only basic insurance, figuring that a serious accident will never happen to them," he explains.

The Alliance will track the impact of today's announcement on accident victims, and will publicly release a report in the future that examines the financial and human health cost of these benefit cutbacks.

The Alliance of Community Medical and Rehabilitation Providers is a coalition of 63 organizations in Ontario providing direct clinical services to victims of motor vehicle accidents. The majority of their work involves rehabilitating persons with serious injuries.

For further information: or to arrange an interview, contact: Robert Stephens, (416) 777-0368

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**Statements Regarding Ontario's Auto Insurance Proposal
Includes statements from the Alliance of Community Medical and
Rehabilitation Providers , Insurance Brokers Association of Ontario
and the Ontario Physiotherapy Association**

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Proposed auto insurance changes 'bone-headed,' NDP says

November 02, 2009

BY KEITH LESLIE

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The Canadian Press

Reining in auto insurance costs

Ontario's plan cuts coverage, medical expenses to 'give consumers more choice'

By **JONATHAN JENKINS, QUEEN'S PARK BUREAU**

Last Updated: 3rd November 2009, 5:03am

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DWIGHT DUNCAN'S PRESCRIPTION FOR ROCKETING AUTO INSURANCE RATES

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CONSUMER CHOICE

A new category of "basic" insurance coverage will let consumers:

- Choose \$50,000 in medical and rehab costs for serious but non-catastrophic injuries. There is an option to increase that to \$100,000 or \$1 million.
- Choose a \$500 deductible on property damage. There is an option to buy a \$300 or 0 deductible.
- Choose a \$20,000 deductible for not-at-fault victims who sue. There is an option for a \$30,000 deductible and deductibles will no longer apply to fatalities.
- Choose not be covered for housekeeping, home maintenance and caregiver benefits.
- Brokers and insurance firms barred from using credit scores in preparing quotes.

ASSESSMENT COSTS

- Cost of an assessment capped at \$2,000 and is now included in medical and rehab benefits. Fees to complete any form including an assessment to complete a form capped at \$200.
- Rebuttal assessments scrapped.
- Benefits for minor sprains and strains capped at \$3,500.

TARA PERKINS

From Tuesday's Globe and Mail Published on Tuesday, Nov. 03, 2009 12:00AM EST Last updated on Tuesday, Nov. 03, 2009 8:22AM EST
In the insurance industry, they call it the "whiplash aftermarket."

Ontario is overhauling its auto insurance rules, and decreasing the amount of coverage that drivers must buy, in an attempt to curb rising premiums. Insurers said that generous minimum-accident benefits were encouraging widespread abuse that was increasing their costs.

Basic benefits in the province will still be among the highest in the country, and it's not yet clear exactly what impact the reforms will have on insurance prices.

"These reforms are designed to hold the line on [premium] increases," Finance Minister Dwight Duncan said in an interview. "You want to make sure that insurance will still be offered by companies, and at the same time that consumers have adequate choice."

Auto insurance has become a money-losing business in Ontario. The average cost of medical rehabilitation for a driver injured in a no-fault accident in the province last year was \$42,000, compared to roughly \$4,000 in Alberta (where there is a cap on the amount paid for pain and suffering from minor vehicle injuries) and about \$8,000 in New Brunswick, according to Barb Sulzenko-Laurie, vice-president of policy development at the Insurance Bureau of Canada.

And yet, the industry argues, Ontarians hurt in car crashes aren't healing any faster than drivers in other provinces.

"With \$100,000 available for medical rehabilitation benefits for any injury, regardless of its severity, there was a compulsion within the system that continued to drive up costs," Ms. Sulzenko-Laurie said. "A typical claim even for a minor injury like whiplash would regularly attract 16, 17 weeks of housekeeping services."

One insurer told the government that some clinics in Toronto are regularly submitting more than 15 separate requests for treatment for a single injury. Each one requires an assessment, and those are routinely contested.

The insurance industry says that for each dollar it is spending on treatment, another 60 to 80 cents is spent on assessments, and there has been a rising number of requests to assess people in their homes to support claims for things like caregiver benefits and home maintenance expenses.

In a submission to the industry regulator, Intact Financial Corp. (formerly called ING Canada) said the system was "excessively generous and complicated, creating an environment that encourages abuse and even fraud."

The auto insurance business in Ontario is highly regulated because coverage is mandatory for drivers. In making the 41 changes announced yesterday, the province is trying to balance the need for insurance to be readily available and affordable with the benefits that are covered.

The reforms include decreasing basic medical and rehabilitation coverage from \$100,000 to \$50,000; decreasing basic attendant care coverage from \$72,000 to \$36,000; and instituting a \$500 deductible for basic coverage. Drivers could still buy extra coverage to bring them up to the prior benefit amounts (or more), and could choose an insurance package with a \$300 deductible or no deductible.

Another change will make housekeeping, home maintenance expenses and caregiver benefits optional. Reimbursement must reflect actual economic losses. Assessment costs will be capped at \$2,000 per assessment, fees for completing forms will be capped at \$200, and those costs will be included in the basic coverage amounts. In-home assessments will be limited to people who are seriously injured, and will only be used to evaluate their need for attendant care services and home modifications. Only occupational therapists and nurses with relevant training will be allowed to assess car-accident victims to see whether they require attendant care.

The government will draft regulations that it says will become effective next summer, and each insurer will have to submit its proposed rates (insurers in Ontario require regular approval from the Financial Services Commission of Ontario, which regulates the industry, for their rates).

The Alliance of Community Medical and Rehabilitation Providers said the government is bowing to the insurance lobby with its reforms. "Accident victims will end up looking for rehabilitation and medical treatment in the public health-care system, [but] unfortunately what they'll find is that many services have been delisted," alliance spokesman Nick Gurevich told The Canadian Press. "These people will be forced to pay out of their own pockets for private care [and] many will end up in debt."

Auto insurance in Ontario accounts for about 25 per cent of all property and casualty insurance premiums in Canada. But the industry collectively lost \$390-million on the auto business in Ontario last year, the only province where it didn't turn a profit. Costs and premiums began falling after prior reforms were introduced in 2003, but costs began rising substantially "as people have gotten to know the system and understand the loopholes," said Leonard Sharman, a spokesman for The Co-operators Group Ltd.

For public debate on auto insurance

Provincial Finance Minister Dwight Duncan has essentially split the difference with his package of reforms to auto insurance. In the process, he may have left no one very happy.

The package, released yesterday, includes a lower cap of \$50,000 (down from \$100,000) on payments for treatment for serious injuries and a \$3,500 limit for strains and sprains, which was heretofore effectively uncapped.

In announcing the changes, Duncan noted that the proposed \$50,000 cap is on a par with Alberta and New Brunswick and higher than in other provinces with private auto insurance. He also emphasized that drivers will still have the option to pay for more coverage "based on their own preferences and circumstances," if they choose.

The changes come in response to growing concerns that lawyers and clinics are "gaming" the system, particularly in Toronto, and driving up costs to auto insurers, who say they lost \$400 million in the province last year. As a result, recent premium hikes have been in the double-digit range.

"We believe that this (yesterday's package) will hold the line over the next few years on rate of growth in premiums," said Duncan.

But that may be wishful thinking as Duncan did not give the insurance industry everything it wanted. The industry had sought a \$25,000 cap on treatment for serious injuries.

Publicly, an industry spokesperson welcomed yesterday's moves. "We are pleased that the government is taking the steps necessary to create a better auto insurance system for Ontarians," said Don Forgeron of the Insurance Bureau of Canada.

"Ontario consumers are the real winners today," added Forgeron, without actually promising that companies would hold the line on premiums.

Privately, the insurance industry is concerned that Duncan intends to delay implementation of the changes until next summer. That means eight more months under the old – more costly – regime, plus the potential that the government could bow to pressure and roll back the changes.

Pressure there will be. Both trial lawyers and health-care providers blasted Duncan's changes yesterday. Nick Gurevich of the Alliance of Community Medical and Rehabilitation providers noted that much of the treatment now being paid for by insurance – such as chiropractic – is not covered by OHIP. With the lower cap, said Gurevich, "These people will be forced to pay out of their own pockets for private care."

Auto insurance is a complex area that brings various sectors into conflict – insurance companies, health-care providers, trial lawyers and, of course, the consumers who pay the premiums. Duncan has done his best to accommodate the different interests, after extensive consultations.

Unfortunately, most of the consulting took place in back rooms, out of the public eye. To engage the public in this debate, Duncan should take advantage of the delay in implementation of the changes by referring his package to a legislative committee for public hearings.

Auto insurance premiums plan needs an overhaul

Posted By JONATHAN JENKINS, QUEEN'S PARK BUREAU

Posted -40 sec ago

Ontario's plan to stabilize auto insurance premiums is badly in need of a tune-up, critics charged yesterday.

"Any fool can sell an inferior product for less money," New Democrat MPP Michael Prue said.

"When you have an accident, when you have non-catastrophic injuries, when you require supplementing your income because you're not working you're going to find out what an inferior product you've bought."

Progressive Conservative Leader Tim Hudak was also dismissive, saying Duncan missed a chance to clean up a system prone to abuse.

"I'm very worried that the reforms brought forward to date are actually about reducing coverage for people as opposed to going after the fraud and the waste in the system," Hudak said.

"The double digit increases we've seen in the past few months are simply unaffordable for Ontario families in today's economic environment."

The government is hoping the changes set to come into effect next summer will make a complex system quicker and cheaper to use by capping the cost of a medical assessment at \$2,000, with that money coming out of the total medical and rehab benefit.

Rebuttal assessments -- where insurance companies and treatment providers spar over the extent of injuries -- are scrapped all together and disagreements will go straight to an arbitrator.

Benefits for minor sprains and strains will now be capped at \$3,500.

The big change for consumers is they can now buy a lower "basic" level of insurance, with \$50,000 in benefits for serious but non-catastrophic injuries instead of \$100,000, and options for lower deductibles.

"We feel this is a very balanced package that will hold the line (on premiums) and give consumers more choice," Finance Minister Dwight Duncan said.

"Overall I believe that is something that will be very good for consumers."

Duncan said he's trying to keep premiums from rising while at the same time addressing complaints insurers have made about assessments and Ontario's relatively generous benefit scheme compared to other provinces.

Reaction was mixed from industry players with the Insurance Bureau of Canada and the Insurance Brokers Association of Ontario giving the changes a thumbs-up.

"We are pleased that the government is taking the steps necessary to create a better auto insurance system for Ontarians," IBC President Don Forgeron said. "The current system is overly generous and encourages unnecessary costs."

The medical rehab community and trial lawyers, though, were unimpressed.

"With today's announcement, the province is forcing U. S.-style 'pay as you go' health care on people badly hurt in motor vehicle accidents," Nick Gurevich, of the Alliance of Community Medical and Rehabilitation Providers, said in a press release.

"These people will be forced to pay out of their own pockets for private care. Many will end up in debt," Gurevich said. "The Liberal government has just abandoned them."

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jonathan.jenkins@sunmedia.ca

Article ID# 2158019



Putting the lid on auto insurance costs

Posted By Jonathan Jenkins Sun Media

Posted 2 mins ago

Ontario plans to keep your auto insurance premiums from rising by letting you buy less coverage, limiting benefits for sprains and strains and cutting expensive medical assessments.

"We feel this is a very balanced package that will hold the line (on premiums) and give consumers more choice," Finance Minister Dwight Duncan said.

"Overall I believe that is something that will be very good for consumers."

Duncan said he's trying to keep premiums from rising while at the same time addressing complaints insurers have made about assessments and Ontario's relatively generous benefit scheme compared to other provinces.

He should have tried harder, critics said.

"Any fool can sell an inferior product for less money," New Democrat MPP Michael Prue said.

"When you have an accident, when you have non-catastrophic injuries, when you require supplementing your income because you're not working, you're going to find out what an inferior product you've bought."

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